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IN THE
SUPREME COURT OF THE
UNITED STATES
October Term, 1971
No._____

PEARL ROSNER,
Petitioner,
vs.
DUCHESS MUSIC CORPORATION, et al.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

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PETITION FOR CERTIORARI

Petitioner, PEARL ROSNER, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit entered in the above case on March 13, 1972.

OPINIONS BELOW

The opinion of the District Court for the District of Arizona is unreported and is noted herein as Appendix A.

The opinion of the Court of Appeals for the Ninth Circuit is Slip No. 71-1854.

The order denying rehearing and rejecting a hearing in banc is Slip No. 71-1854.

JURISDICTION

The judgment of the Court of Appeals for the Ninth Circuit was made and entered on March 13, 1972, and copies thereof are appended to this petition in the Appendix B. The jurisdiction of the District Court was based on 28 U.S.C. §1338(a). The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1):

> By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree.

QUESTIONS PRESENTED FOR REVIEW

1. Whether duplicators come within the definition of "any other person" and accordingly have a statutory right to use the Compulsory License provision of the Copyright Act (17 U.S.C. §1(e) conditioned upon compliance with its provisions and the

payment of statutory royalties.

2. Whether denying duplicators the right to use the Compulsory License provision of the Copyright Act (17 U.S.C. §1(e) violates the Equal Protection Clause of the Fourteenth Amendment as incorporated into the Fifth Amendment in Balling v. Sharpe, 347 U.S. 497 (1954), and also violates procedural due process of law.

3. Whether only articles containing an identifiable impression of the copyrighted work may be seized under the impounding and seizure provisions of the Copyright Act (17 U.S.C.§§101 (c), 101(d)).

CONSTITUTIONAL AND STATUTORY PROVISIONS

This case involves the following constitutional and statutory provisions:

1. Article I, §8, Clause 8 of the Constitution of the United States, which provides as follows:

> "The Congress shall have power. . . To promote the progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and

Discoveries."

2. Fifth Amendment to the Constitution of the United States, which provides as follows:

> "No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without dur process of law; nor shall private property be taken for public use, without just compensation.

3. The Fourteenth Amendment to the Constitution of the United States, which provides as follows:

SECTION I. "All persons born or naturalized in the United States,

and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

4. Title 17, United States Code, §(1)e which reads in relevant part,

"And as a condition of extending the copyright control to such mechanical reproductions, that whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work, any other person may make similar use of the copyrighted work, upon payment to the copyright proprietor of a royalty of 2 cents on each such part manufactured, to be paid by

the manufacturer thereof . . ."

5. Title 17, United States Code, §101(e) which reads in relevant part,

"Provided, also, that whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition . . . relying upon the compulsory license provision of this title, he shall serve notice of such intention. . . upon the copyright proprietor . . .

6. Title 17, United States Code, §101(c) provides that an infringer shall be liable: (Impounding During Action)

" -- To deliver up on oath, to be impounded during the pendency of the action, upon such terms and conditions as the court may prescribe, all articles alleged in infringe a copyright;

7. Title 17, United States Code, §101(d) provides that an infringer shall be liable: (Destruction of Infringing Copies and Plates)

" -- To deliver up on oath for destruction all the infringing

copies or devices, as well as all plates, molds, matrices, or other means for making such infringing copies as the court may order.

8. Title 28, United States Code, §1338(a) provides:

"The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

9. Title 28, United States Code, §1254, Subsection (1) provides:

"By writ of certiorari granted upon the petition of any party to a any civil or criminal case, before or after rendition of judgment or decree.

STATEMENT OF THE CASE

Respondents, owners of numerous copyrights to musical compositions brought this copyright infringement suit against Petitioner, Pearl Rosner and others arising

out of the manufacture and sale of tape recordings serving to reproduce mechanically Respondents' copyrighted works. Respondents obtained an ex parte order to show cause, a temporary restraining order and a writ of seizure from the District Court against Petitioner and others. Pursuant to this seizure, the marshal seized and impounded 25,000 completed tape recordings and master recordings, which serve to reproduce mechanically Respondents' copyrighted musical compositions: blank tapes and cartridges, printed labels; machinery used to transfer the sounds onto the blank tape; packaging and promotional materials; and other equipment and machinery utilized in the manufacturing process. Subsequently Respondents filed the appropriate bond.

Petitioner appeared and objected to the seizure order.

Prior to the hearing on the preliminary injunction, Petitioner, PEARL ROSNER, filed her Notice of Intention to Use Respondents' copyrighted works pursuant to the Compulsory Licensing Provisions of the Copyright Act 17 U.S.C. §1(e) and §101(e). Accordingly, she

contended that since she had filed the Notice of Intention to Use under 17 U.S.C. §§1(e) and 101(e), injunctive relief would be inappropriate. Petitioner also objected to the scope of the seizure on the ground that the statutory authority and all the Supreme Court rules implementing that authority contemplate the seizure and impoundment only of items of ". . . such nature that they would be the last item of identifiable character used to make an infringing copy."

The District Court agreed with Petitioner on both counts. It ordered the return of all ". . . tape recording equipment and machinery, as well as . . . all blank tapes, cartridges, cassettes, labels or any unmarked or unprinted packaging materials." The District Court also held that Petitioner could use the compulsory license scheme. Finally, the Court determined that Petitioner had timely file her Notice of Intention to Use.

The District Court later amended its order, nunc pro tunc, to allow an appeal under 28 U.S.C. §1292(b). Also, the Court stayed its order pending the outcome of

the appeal to the Court of Appeals.

The Ninth Circuit Court of Appeals, in a 2-1 decision, reversed the District Court. The majority opinion held that all items seized, including those capable of innocent use, were properly impounded. It directed that all material and machinery seized continue to be impounded pending the hearing on the merits. The majority also held that Petitioner could not take advantage of the compulsory license provision because she duplicated Respondents' copyrighted compositions, thus not making "similar use" of them. Duplicating was held to be clearly outside the scope of the compulsory license system. The majority did not reach the issue of the timeliness of Petitioner's filing of the Notice of Intention to Use.

The dissent argued that Petitioner, although she was a duplicator, was not a pirate because she had filed a Notice of Intention to Use. Based on the legislative history of the 1971 Amendments, H.R. 92-487, and the views of Professor Nimmer, the leading commentator on the subject, he argued that a duplicator complying with the compulsory license scheme is not an infringer

under the Act.

The same panel on April 26, 1972 denied PEARL ROSNER'S petition for rehearing and a rehearing in banc, Appendix C. Subsequently, Petitioner made a motion for a stay of the mandate which the panel granted on May 4, 1972, which herein is Appendix D.

REASONS FOR GRANTING WRIT OF CERTIORARI

I

THE DECISION OF THE NINTH CIRCUIT COURT OF APPEALS IN THIS CASE IS IN DIRECT CONFLICT WITH PREVIOUS DECISIONS OF THE UNITED STATES SUPREME COURT.

The Ninth Circuit Court of Appeal by its decision denies petitioner the right to copy, because as is stated:

> "Rosner admits that she duplicates appellants' copyrighted compositions. She does not make 'simiar use' of them, she makes exact and identical copies of them."

The Court held that:

> "This is clearly outside the scope of the compulsory license scheme."

In contrast to this decision is a

growing trend within the judiciary which greatly favors an expanded right to copy. This tendency has received the approval of the Supreme Court of the United States.

This Court expanded the right to copy in two companion cases, Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) and Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964). To understand the breadth of this right, one need only sample several quotations from these landmark cases.

> "What Sears did was to copy Stiffel's design and to sell lamps almost identical to those sold by Stiffel. This it had every right to do under the Federal Patent Laws. That Stiffel originated the pole lamp and made it popular is immaterial." Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 231 (1964).
>
> "But if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will." Compco Corp. v. Day-Brite Lighting,

Inc., 376 U.S. 234, 238 (1964).

The statement of Compco reiterates the position of Petitioner in this case whereby the payment of the statutory royalty under §1(e) of Title 17 of the U.S.C. permits petitioner to freely copy respondents' musical compositions at will.

One of the latest leading cases in point from the Supreme Court in this area, Fortnightly Corp. v. United Artists Television, Inc., 392 U.S. 390 (1968) is also consistent with the holding of the District Court in this case. In denying any copyright infringement, this Court held that a community antenna television system although copying a copyrighted non-dramatic literary work and dramatic work, did not encroach any copyright because copying was not performed under §1(c) or (d) of the Copyright Act, (17 U.S.C. §1(c)(d)). Just as copying is not an infringement under (c) and (d) so also copying is not an infringement under 1(e). In fact, the case at hand is even a stranger one that Fortnightly Corp. in Fortnightly, the Petitioner had not complied with the license Provisions of the Copyright Act whereas ROSNER has sought to

comply with all such requirements. A major issue in this case is that the Ninth Circuit will not allow ROSNER to comply.

Here ROSNER has filed her Notice of Intention to Use the copyrighted materials of the Respondent publishing companies. Additionally, the license granted under the Compulsory License Provision is not exclusive as were the licenses in Fortnightly Corp. Thus, under the doctrine of Fortnightly Corp., there is by far a greater basis for permitting Petitioner to copy the compositions in question.

And yet, in spite of the great weight of authority, the Ninth Circuit has held that Petitioner may not use the Compulsory License scheme. It denied Petitioner this right because she was a "duplicator". This interpretation is contra Sears, Compco, and Fortnightly Corp.

The Ninth Circuit attempted to distinguish Sears, and Compco and the other cases cited in Petitioner's brief by stating that the rights protected in these cases were not protected by copyright. However, the Court failed to see that that very assertion applies to the facts at hand.

II

THE DECISION OF THE COURT BELOW IS IN DIRECT CONFLICT WITH THE DECISION RENDERED IN THE SECOND CIRCUIT COURT OF APPEAL WITH RESPECT TO THE IMPOUNDING AND SEIZURE PROVISIONS OF THE COPYRIGHT ACT.

The Lower Court held that the impounding and seizure provisions of the Copyright Act (17 U.S.C. §101(c), (d) permit the seizure of items capable of innocent use. The prior reported decisions in this area have only permitted seizures of articles which have an identifiable impression of the copyright work. Miller v. Goody, 139 F. Supp. 176 (S.D. N.Y. 1956) rev'd on other grounds sub. nom. Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 (2nd Cir. 1957).

It should be noted that under the court's order there is no indication that the the petitioners' recording equipment or machinery was, or could have been seized or impounded.

Accord, Runge v. Lee, 161 U.S. P. Q. 770 (C.D. Calif. 1969).

The opinion of the Ninth Circuit Court of Appeals did not cite a case to the

contrary, i.e. one that specifically ordered the seizure of items capable of innocent use and is in direct conflict with a decision of the Second Circuit Court of Appeals.

III

OTHER CIRCUIT COURTS HAVE HELD THE COMPULSORY LICENSING PROVISIONS OF THE COPYRIGHT ACT AVAILABLE TO DUPLICATOR-MANUFACTURERS.

There is a direct conflict between the Ninth Circuit Court of Appeals and the Second Circuit Court of Appeals in regard to the availability of the Compulsory Licensing Provision of the Copyright Act to duplicator-manufacturers.

Contrary to the holding in the Court below, the case of Miller v. Goody, 139 F.Supp. 176 S.D. N.Y. (1956) which later was appealed and became Shapiro, Bernstein & Co. v. Goody, 248 F.2d 260 upheld the right of a duplicator-manufacturer to invoke the Compulsory Licensing Provisions of the Copyright Act.

IV

THE DECISION OF THE COURT BELOW IS CONTRARY TO THE POLICY OF THE FEDERAL COPYRIGHT LAW IN THAT THE DECISION WOULD CREATE MUSIC MONOPOLIES AND GRANT COPYRIGHT PROTECTION IN PERPETUITY.

Article I, § 8, Clause 8 of the Constitution provides that Congress may establish a patent and copyright law. Congress has done so, and uniform national standards have been established to permit free competition in the field of musical composition.

Congress, in deciding what protection to give to musical recordings, has chosen to emphasize free competition. The overriding concern of Congress in the enactment of a copyright law for musical compositions (17 U.S.C. §1(e)) was to avoid a great "music monopoly" (Shapiro, Bernstein & Co. v. Remington Records, Inc., 265 F.2d 263, 269-70 (2nd Cir. 1959) while at the same time granting certain limited protection to composers. To accomplish these purposes, Congress adopted a scheme for compulsory licensing on the payment of a fee of two

cents per copy. Thus, Congress has determined that the interest of the public in free competition and the broad dissemination of music outweighs the composer's interest in maximum commercial exploitation.

The justification of the Court below for rejecting the Congressional choice is that:

> "Rosner admits that she duplicates appellants' copyrighted compositions. She does not 'make 'similar use' of them, she makes exact and identical copies of them."

This is a true statement, but it is hardly a justification for the refusal of the Court to protect the rights of the public, as all manufacturers who make records and tapes do just exactly what the court is objecting to. How can the Congressional policies be given effect if competitors are not allowed to compete? In fact, is not the discouragement of competition the very antithesis of the Congressional policy in this area? The Ninth Circuit's frustration of clearly expressed congressional intent demands rectification.

The decision of the court below is also contrary to the limitation stated in the Constitution that patent and copyright protection shall be granted for limited times only.

Article I, §8, Clause 8 of the Constitution provides that Congress may grant protection to authors and inventors for limited times only. The Court by its decision gives the authors and publishers rights in their musical compositions forever contrary to the said Constitutional Provision.

V

IMPORTANT QUESTIONS OF PETITIONERS' CONSTITUTIONAL RIGHTS ARE RAISED BY THE LOWER COURT'S DECISION.

There is no question that the Court of Appeals' decision denies Petitioner the equal protection of the law when it held that a duplicator cannot use the Compulsory License scheme. Bolling v. Sharpe, 347 U.S. 497 (1954) held that the equal protection clause of the Fourteenth Amendment is incorporated into the Fifth Amendment and can be applied to

Congressional legislation. The District Court first raised this issue in its decision when it said:

> "Stated otherwise, it would appear to be inconsistent in the least to allow plaintiffs to allege infringement under the Act, and then, on the other hand, selectively deny its applicability to defendants."

To deny Rosner the use of the Compulsory License Provision seems not only inconsistent but also unconstitutional. There is certainly no rational basis to exclude Petitioner from the class of persons able to use these provisions. It seems evident that Rosner complies with the requirement of "any other person" in §1(e) (17 U.S.C. §1(e)). Actually, any possible classification that would exclude manufacturers like Rosner would necessarily be discriminatory. The Court of Appeals' opinion did not contain rational basis for excluding manufacturers like Rosner.

VI

ECONOMIC AND COMMERCIAL WASTE CAN BE AVOIDED ONLY BY GRANTING CERTIORARI.

An entire portion of the music industry, servicing millions of American citizens with tape recorded music at low cost will be forced into oblivion by permitting the Ninth Circuit Court of Appeals' decision to stand.

Not only would low cost music be unavailable to the masses, but on the contrary it would create great music trusts which would go unchecked because of the lack and complete destruction of all competition in the field.

CONCLUSION

It is therefore respectfully submitted that A Writ of Certiorari should be granted in this case.

Respectfully submitted,

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